

An Act

ENROLLED HOUSE
BILL NO. 3282

By: Mulready of the House

and

Stanislawski of the Senate

An Act relating to insurance; amending 36 O.S. 2011, Section 4509.2, which relates to group and blanket accident and health insurance; deleting requirement to advise certain applicant of the high risk pool; amending 36 O.S. 2011, Section 6533, which relates to the Health Insurance High Risk Pool Act; requiring certain policies to no longer be available for sale beginning on a certain date; prohibiting certain coverage from being available; providing that certain policies terminate on a certain date; directing the Board of Directors of the Oklahoma Health Insurance High Risk Pool to provide certain plan; providing that the plan will become effective upon approval by the Insurance Commissioner; repealing 36 O.S. 2011, Sections 6531, 6532, 6533, as amended by Section 2 of this act, 6534, 6535, 6536, 6537, 6538, 6538.1, 6539, 6540, 6541, 6542, 6543, 6544 and 6545, which relate to the Health Insurance High Risk Pool Act; providing effective dates; and declaring an emergency.

SUBJECT: Health Insurance High Risk Pool Act

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 36 O.S. 2011, Section 4509.2, is amended to read as follows:

Section 4509.2 A. When an insured individual or a dependent who was covered by group insurance pursuant to the provisions of the Health Insurance Portability and Accountability Act of 1996, 29

U.S.C.A., Section 1181 et seq., gains employment with an employer who provides for health insurance through a group plan, the succeeding group carrier shall accept the insured individual and dependents of the insured individual who were covered under the prior coverage and shall not apply limitations or exclusions based on preexisting conditions or apply waiting-period requirements for the insured individual or the dependents of the insured individual beyond the time when any surviving exclusion or waiting period with the prior carrier would have been fulfilled. The insured individual and any dependents of such individual must apply for the new coverage within sixty-three (63) days following the date of termination of prior creditable coverage.

B. When an insured individual or dependent who was covered by individual insurance pursuant to the provisions of the Health Insurance Portability and Accountability Act of 1996, 29 U.S.C.A., Section 1181 et seq., gains employment with an employer who provides for health insurance through a group plan, the succeeding group carrier shall accept the insured individual and dependents of the insured individual who were covered under the prior coverage and shall not apply limitations or exclusions based on preexisting conditions or apply waiting-period requirements for the insured individual or the dependents of the insured individual beyond the time when any surviving exclusion or waiting period with the prior carrier would have been fulfilled. The insured individual and any dependents of such individual must apply for the new coverage within sixty-three (63) days following the date of termination of prior creditable coverage.

C. Insurance carriers receiving an application for individual insurance may underwrite the risk or decline coverage based on the underwriting guidelines of the insurance carrier. ~~Upon denial of coverage, insurance carriers shall advise the applicant of the existence of, and how to apply for coverage under, the Health Insurance High Risk Pool.~~

D. When there is a lapse in the coverage of the insured individual or a dependent of the insured individual provided for by subsections A, B, and C of this section for any reason other than a probationary period or similar waiting period imposed pursuant to personnel policies of an employer, the provisions of subsections A, B, and C of this section shall not apply to the person whose coverage lapsed.

E. When an individual employee who was covered under a group health insurance plan terminates employment with an employer and gains employment with another employer who provides for health insurance through a group plan, the carrier of the succeeding employer shall not apply preexisting conditions limitations or exclusions of preexisting conditions or apply waiting-period requirements for the individual employee or his dependents covered under the group plan of the previous employer beyond the time when any surviving exclusion or waiting period with the prior carrier would have been fulfilled, provided the individual employee applies for the new coverage within thirty-one (31) days following the date of eligibility for participation in the plan in accordance with the employment or personnel policies of the employer of such participation.

F. When there is a lapse in the coverage of the individual employee provided for by subsection E of this section for any reason other than a probationary period or similar waiting period imposed by the employment or personnel policies of the employer, the provisions of subsection E of this section shall not apply.

SECTION 2. AMENDATORY 36 O.S. 2011, Section 6533, is amended to read as follows:

Section 6533. A. Every insurer and reinsurer providing health insurance or reinsurance shall participate in the Health Insurance High Risk Pool.

B. Health insurance policies provided in accordance with this act shall be available for sale no later than July 1, 1996.

C. Health insurance policies provided in accordance with the Health Insurance High Risk Pool Act shall cease to be available for sale beginning June 1, 2014. No such coverage will be made available with an effective date after July 1, 2014.

D. All remaining health insurance policies provided in accordance with this act shall terminate at midnight on December 31, 2014, and no grace period will be available to extend coverage beyond the termination date on December 31, 2014.

E. By no later than October 1, 2014, the Board of Directors of the Oklahoma Health Insurance High Risk Pool shall provide to the Oklahoma Insurance Commissioner a detailed plan to dissolve the Pool, including but not limited to, completion of all obligations,

maintenance of records, disposal of all equipment and return of any remaining assessments.

F. The plan to dissolve the Pool shall become effective upon written approval by the Commissioner.

SECTION 3. REPEALER 36 O.S. 2011, Sections 6531, 6532, 6533, as amended by Section 2 of this act, 6534, 6535, 6536, 6537, 6538, 6538.1, 6539, 6540, 6541, 6542, 6543 and 6544, are hereby repealed.

SECTION 4. REPEALER 36 O.S. 2011, Section 6545, is hereby repealed.

SECTION 5. Section 3 of this act shall become effective on January 1, 2017.

SECTION 6. Section 4 of this act shall become effective on December 1, 2017.

SECTION 7. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 22nd day of May, 2014.

Presiding Officer of the House
of Representatives

Passed the Senate the 23rd day of May, 2014.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____